

Passed: Historic Healthcare and Student Aid

March 22, 2010

Dear Constituents,

Last night the U.S. House of Representatives passed two landmark pieces of legislation which I consider among the greatest achievements of my 17 years of Congressional service: comprehensive reform of the nation's healthcare system and an extraordinary reinvestment in our children's education.

Healthcare

More than a century has passed since Teddy Roosevelt first called for healthcare reform. Today we keep a promise to the American people that they will have affordable health insurance which they cannot lose, nor have it taken away from them if they become ill. This legislation will reduce the deficit by \$143 billion over ten years and \$1.2 trillion over twenty, the largest deficit reduction plan in 27 years. It will eliminate discriminatory insurance practices, and open the insurance market to millions of Americans who have been priced-out.

Student Aid

The Student Aid and Fiscal Responsibility Act (SAFRA) was included in the health insurance reform package. SAFRA represents the single largest increase ever made to student aid funding in our country's history. This landmark legislation renews our commitment to our children and their education. It will ease the cost of college for students and their families, lower the debt of graduates, and strengthen our community colleges and early learning programs.

Healthcare

For more than a year, Congress has been working practically around the clock to bring about comprehensive reform of the American healthcare system. Dozens of hearings have been held by multiple committees. Countless hours have been spent writing the legislation. Hundreds of expert witnesses representing every point of view on the ideological spectrum have testified. I'm extraordinarily proud that last night, Sunday March 21st, we finally achieved an historic victory. I believe this legislation will stand in the pantheon of domestic legislative achievements equaled only by the creation of Medicare and Social Security, and I feel privileged to have played a role in this effort.

The current health insurance system is unsustainable. The people who need insurance most-those with pre-existing conditions or who become ill-can be denied access or dropped from coverage without recourse. Small businesses struggle to provide insurance to their employees. The uninsured struggle to purchase plans for their families on the individual market. Those of us fortunate enough to have health insurance pay a "hidden tax" to cover the costs of the uninsured when they get sick. And the costs continue to skyrocket.

Last year, \$2.5 trillion was spent in healthcare costs alone in the U.S. This amount is projected to rise another 6 percent in 2010. By 2020, healthcare premiums would double and one out of every three U.S. dollars would go into the healthcare system. Our country cannot sustain these costs and remain competitive. Reigning in costs is not an option-it's a necessity.

The legislation I voted for will lower healthcare costs and improve access to health insurance. The bill was scored by the Congressional Budget Office at a cost of \$938 billion over ten years. It will lower the deficit by \$143 billion over ten years and by \$1.2 trillion over twenty years. This is the single largest deficit reduction plan in 25 years.

Nationwide, this bill will provide comprehensive, affordable health coverage to 32 million uninsured Americans. It is done not through massive government intervention in the healthcare sector, but rather by expanding and improving parts of our healthcare system that already work. The

millions of Americans who already have insurance coverage they like will keep it, and they will enjoy a host of new consumer protections, including:

- The end of insurance discrimination based on pre-existing conditions.
- The end of the abusive practice of "rescission," when insurance companies drop patients simply because they are sick.
- The elimination of cost-sharing on recommended preventive services delivered by Medicare and all insurance plans available in the Health Insurance Exchange.
- And the elimination of lifetime caps in health insurance policies-legislation I first introduced in 1996.

Americans without insurance will be able to participate in new health insurance exchanges where for the first time, individual customers can harness the power of the group market, choosing from a list of comprehensive private plans with a guaranteed set of benefits. These insurance exchanges will provide the same kinds of choices that federal employees and Members of Congress, have today: a variety of private plans with comprehensive benefits at different price points. Families will receive affordability credits on a sliding income scale, and small businesses will receive tax incentives to provide coverage to their employees based on the size of the company, ensuring that they no longer have to choose between treating workers fairly and remaining financially solvent.

All Americans will benefit from increased prevention and wellness reforms. Improved access to affordable care, while necessary to fix our broken system, is only part of the answer. True reform requires an increased emphasis on prevention to reduce the strain that disease and poor health exert on our system. Loan reimbursements to doctors who commit to practicing primary care; low-cost or no-cost preventive doctors visits; increased funding for community health centers...these are just some of the ways the legislation changes our "sick care" system into a healthcare system.

In our Congressional District, this bill will expand coverage to 23,000 uninsured people and 84,000 families will be eligible for new affordability credits to bring comprehensive health insurance within their financial reach. 15,400 small businesses will receive tax incentives to help provide coverage. As we know all too well, even the uninsured and the underinsured receive medical care when they get sick, and this legislation will save our community \$25 million every year, because we who are insured have all been paying for uncompensated care.

Very importantly, the legislation strengthens Medicare for its 83,000 beneficiaries in our District, extending the life of the Trust Fund for years. Billions of dollars will be redirected to services for seniors and preventive care for Medicare patients, including a guaranteed annual check-up with no out-of-pocket costs. The "donut hole" will be closed so that seniors will no longer have a gap in their prescription drug coverage.

I strongly supported the idea of including a public insurance option as an important way to control healthcare costs based on competition, and I'm disappointed there wasn't sufficient support in the Senate to include this in the final bill.

From the beginning of this effort, I've maintained that we can and must reform our healthcare system without adding to the deficit. By reducing the deficit by \$143 billion over the first decade, and by more than \$1.2 trillion over twenty years, we have gone well beyond simply crafting a revenue-neutral bill, and taken an enormous step toward improving our nation's fiscal health.

The debate has at times been divisive and lead to many distortions and unfounded misgivings about what this legislation accomplishes. In reality, the legislation represents the best ideas from both sides of the aisle, and the House bill I helped to craft included 121 amendments offered by both Democrats and Republicans.

It's impossible to overstate the importance of this effort

and the magnitude of the accomplishment.
All Americans who participated in this unprecedented national discussion should be exceedingly proud of what has been accomplished. No legislation is perfect and no law permanent, but I'm confident this bill will make a tremendous difference in the lives of my constituents and for the people of our country.

Education

The Student Aid and Fiscal Responsibility Act (SAFRA) was included in the health insurance reform package. SAFRA represents the largest single increase ever made to student aid funding in our country's history. This landmark legislation renews our commitment to our children and their education. It will ease the cost of college for students and their families, lower the debt of graduates, and strengthen our community colleges and early learning programs.

SAFRA increases funding (\$48 billion total) for a variety of scholarships and student loans, including Pell Grant scholarships (\$40 billion) and the Perkins Loan program, and updates the method by which loans are administered. Student loans will no longer go through banks. This new process will lower the interest rates on need-based loans and convert all new student loans, beginning July, 2010, to the cost-efficient Direct Loan program which is not affected by changes in the financial markets. The bill also provides \$10 billion to encourage expanded educational opportunities for community colleges, workforce programs, online training, and adult education, and \$2.55 billion for historically black colleges and universities. Shifting to direct federal lending will save more than \$80 billion over 10 years and still leave \$10 billion to return to the Treasury.

In addition to making a college education dramatically more affordable, the legislation provides \$8 billion to ensure that the next generation of students entering kindergarten will have the skills they

need to
succeed in school. It creates the Early
Learning Challenge Fund which increases high-quality early learning
opportunities for low-income children.
H.R. 3221 also will help provide every child with world-class
learning
facilities by investing in school modernization, renovation, and repair
projects that will create healthier, safe, and more energy-efficient
environments.

SAFRA complies with the House "PAYGO" requirement, a
provision in the House Rules which stipulates that the legislation
passed by
the House must not increase the federal deficit. The
bill actually exceeds this
requirement and will reduce entitlement spending by \$10 billion.

SAFRA is a major step forward in President Obama's
initiative to make sure America
once again leads the world in college graduates by 2020. The
House made a clear choice to stop
funneling vital taxpayer dollars through banks and board rooms, and
start
sending them directly to students in their dorm rooms.

If you have any questions or comments, let me hear from
you. I'm proud to represent a
Congressional District where my constituents are informed and ask
serious-minded, thoughtful questions, and provide me with valuable
feedback. If you know someone who you
think will find this E-Newsletter helpful, do share it with them by
using the
buttons on the right.

Sincerely,

Anna G. Eshoo

Member of Congress